

# Where Will Our Children Live?

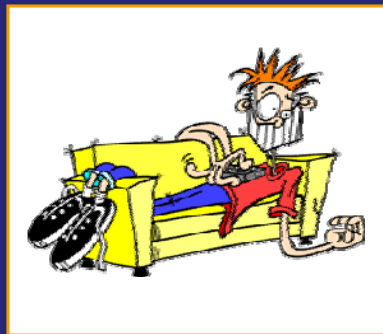


**Growth, Change and Rising Prices**

Joseph Carreras  
Lead Regional Planner

**Southern California Association of Governments**

**Never Move Out ?**

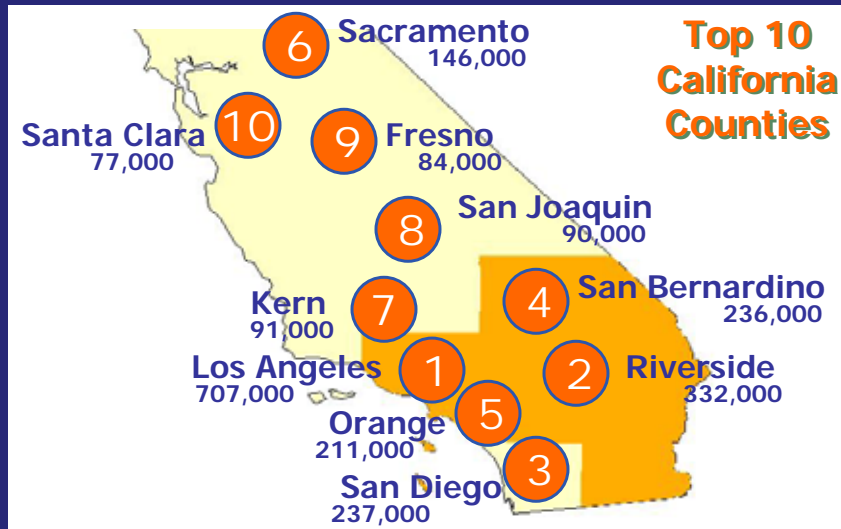


**Miles Away ?**



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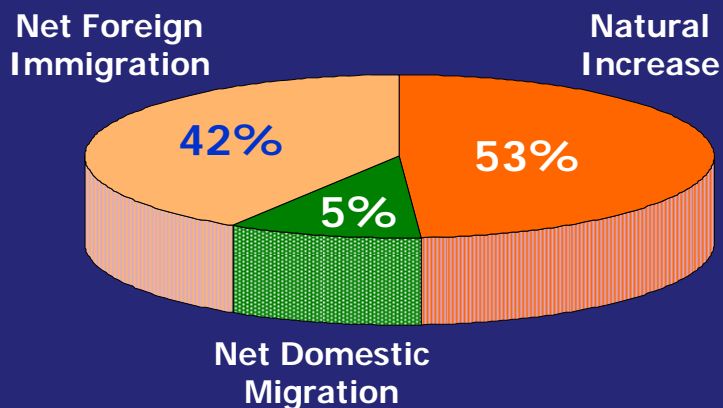
## Population Increase, 2000-2005



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## Sources of Growth

2000-2005



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## Region's Challenges

Population is  
expected to grow  
by more than  
**6,300,000**  
over the next three  
decades

**38%**  
more than  
today



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## Demographic Changes Over the Next Decade Will Affect Housing Demand Preferences



Apartment Seeking  
"Echo Boomers"



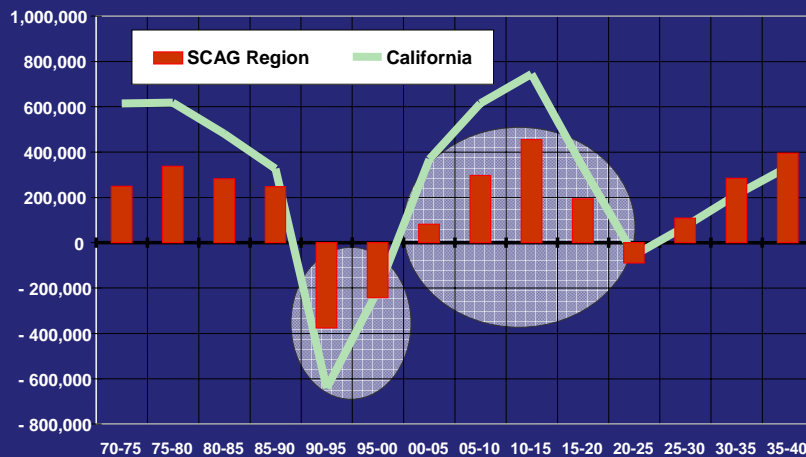
Large Increase in  
"Baby Boomers"



High Housing Demand  
Immigrants

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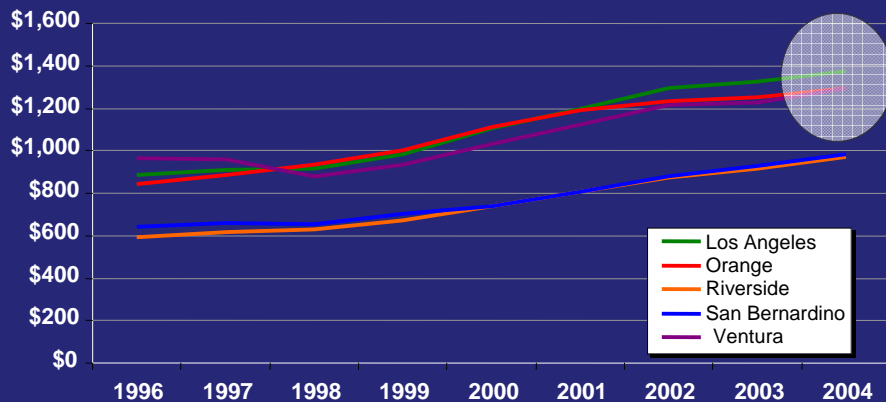
## Demand for Apartment Housing Will Start Its Steep Rise Over the Next Ten Years (Population Changes: Age 20 to 29)



Source: State of California, Department of Finance, *Race/Ethnic Population with Age and Sex Detail, 1970-2040*. Sacramento, CA, December 1998.

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## Southland Coastal County Rents Exceed \$1,500, While Inland Rents are Just over \$1,100 per Month

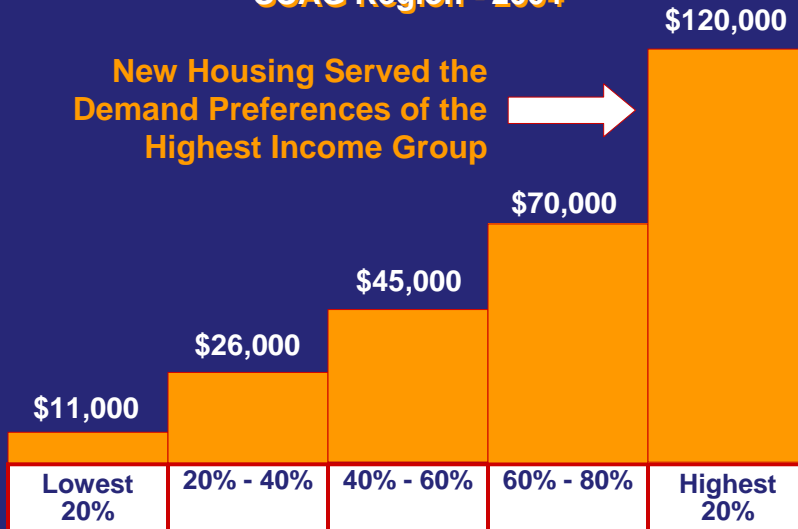


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## Median Incomes by Quintile

SCAG Region - 2004

New Housing Served the  
Demand Preferences of the  
Highest Income Group



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## Affordable Home Price

**\$300,000**

Down  
Payment

**\$30,000**

Assuming  
10%

Qualifying  
Income

**\$84,000 - \$108,000**

Assuming  
28% - 36%

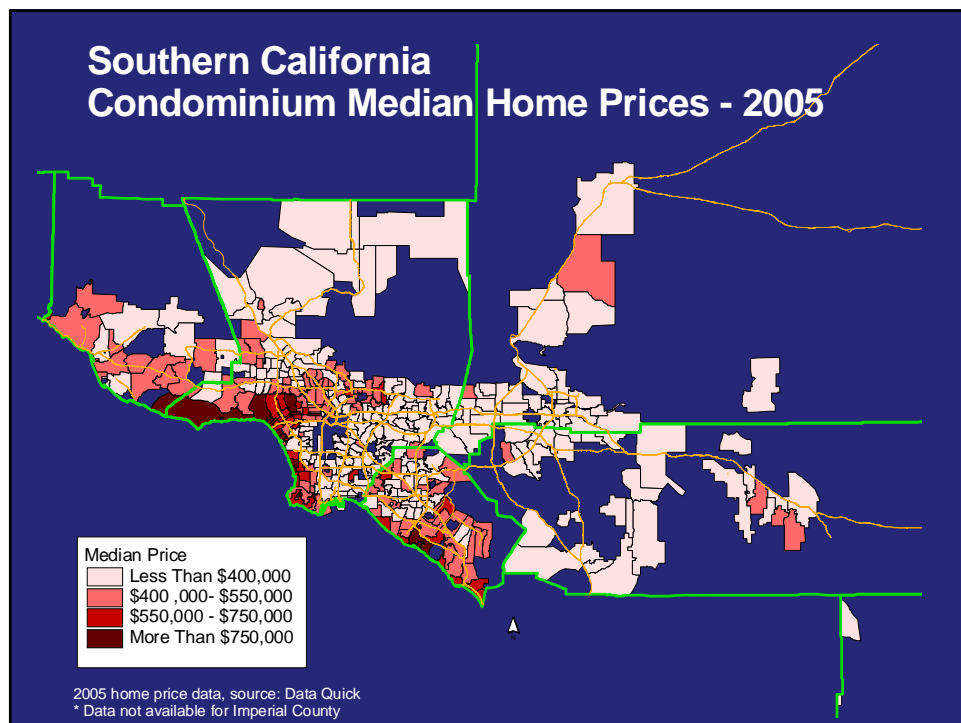
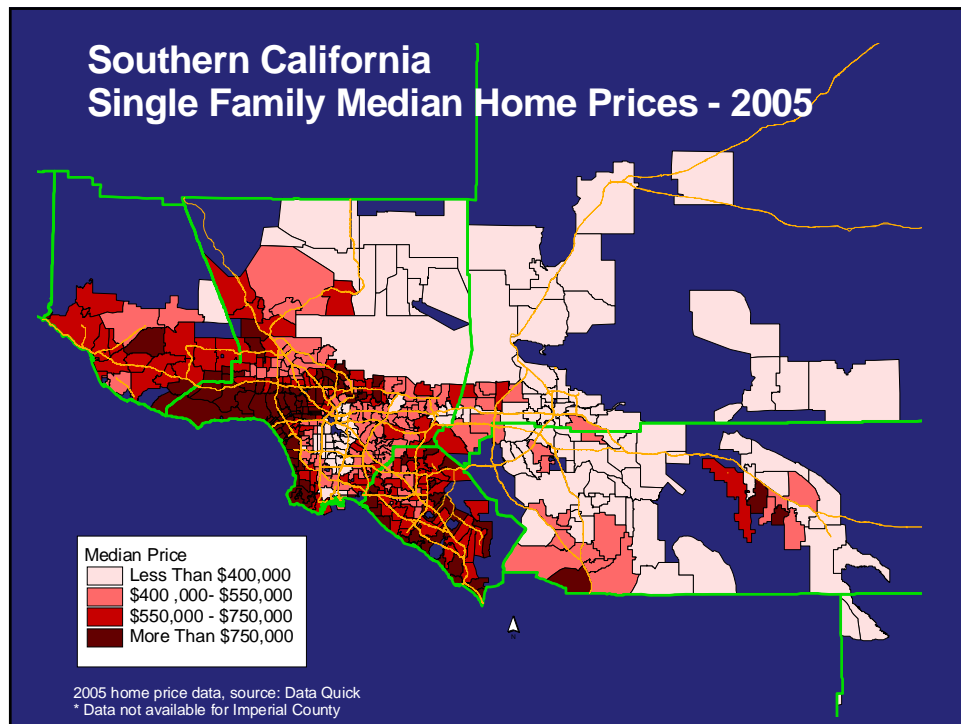
Total Monthly  
Payment

**\$2,400**

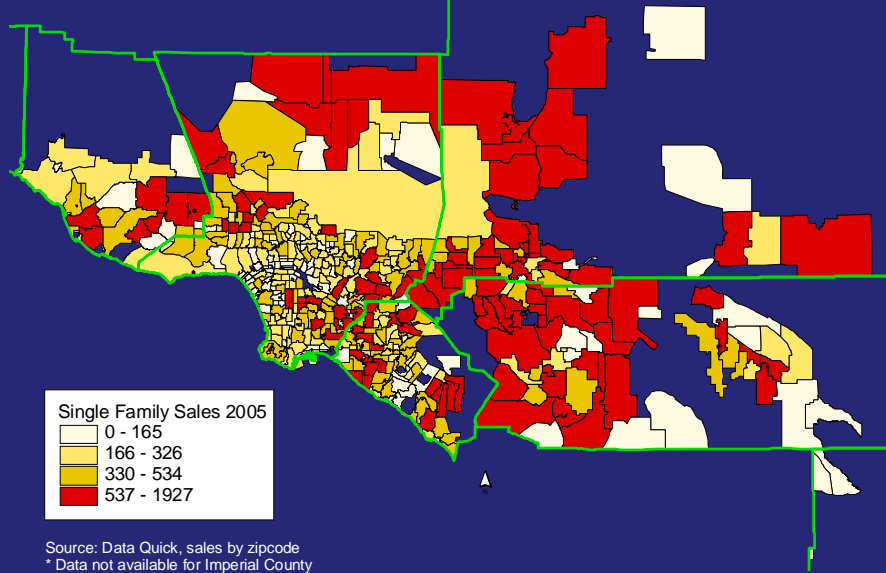
Includes PMI

Source: LA Times, Income Calculator Results

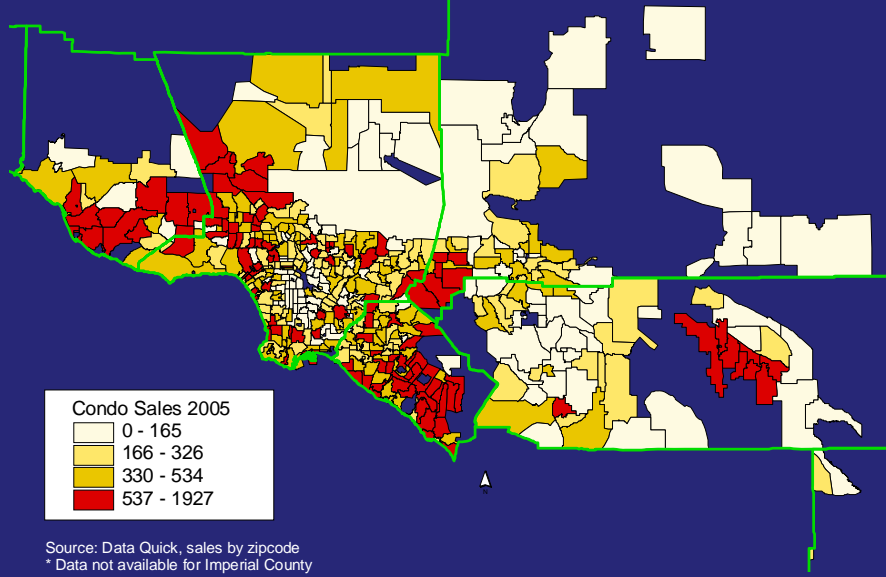
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## Hot Market for Home Sales - 2005

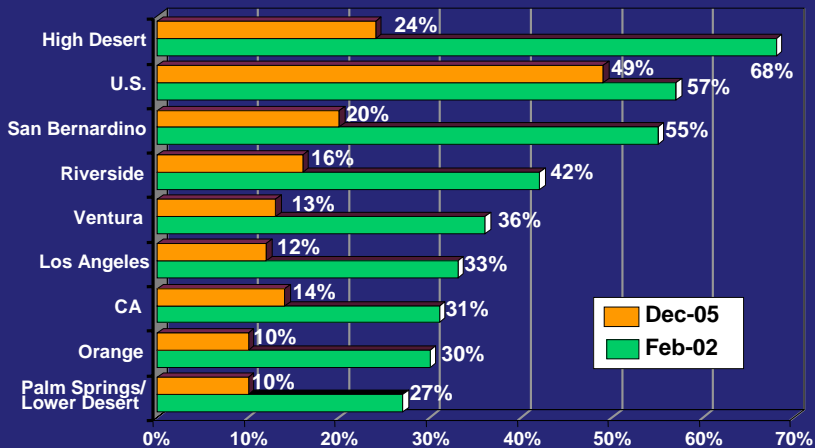


## Hot Market for Condo Sales - 2005



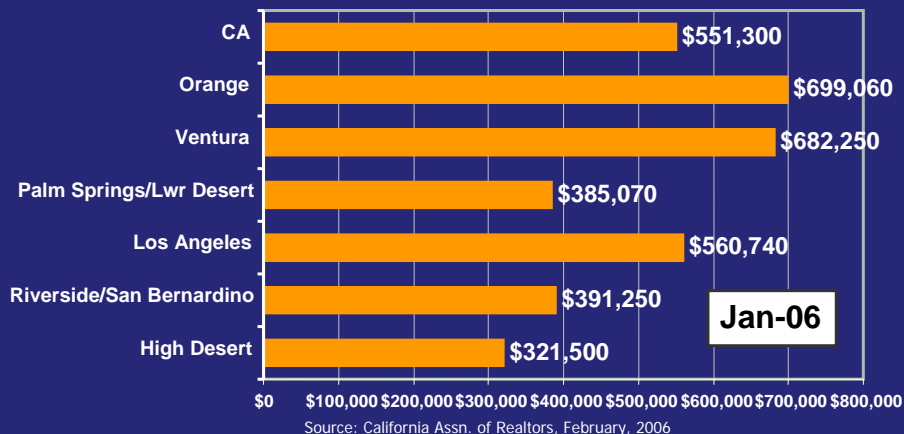
## Sharp Decline in Home Affordability

Percent of Households Able to Afford the Median Priced Home



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## Home Prices Continue To Rise Across the State and Region



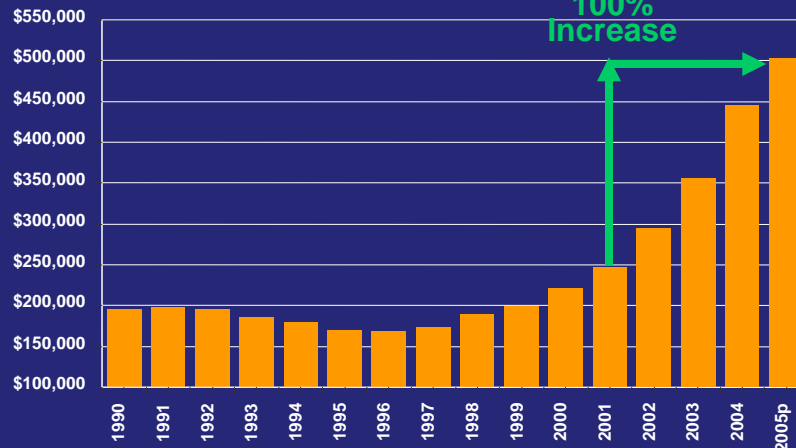
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# Median Home Price

Southern California, 1990-2005

ANNUAL MEDIAN SALES PRICE



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# Types Of New First Mortgages

	1998	2002	2005	
Fixed Rate	92%	84%	52%	↓
Adjustable Rate	7%	10%	39%	↑
Interest Only & Other	1%	6%	9%	↑

Source: California Association of Realtors

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## New way to bet on Real Estate

### S&P CME Housing and Futures Options

New financial instruments  
and hedging strategies  
launched to let you wager  
on the direction of home  
prices in major cities!!!

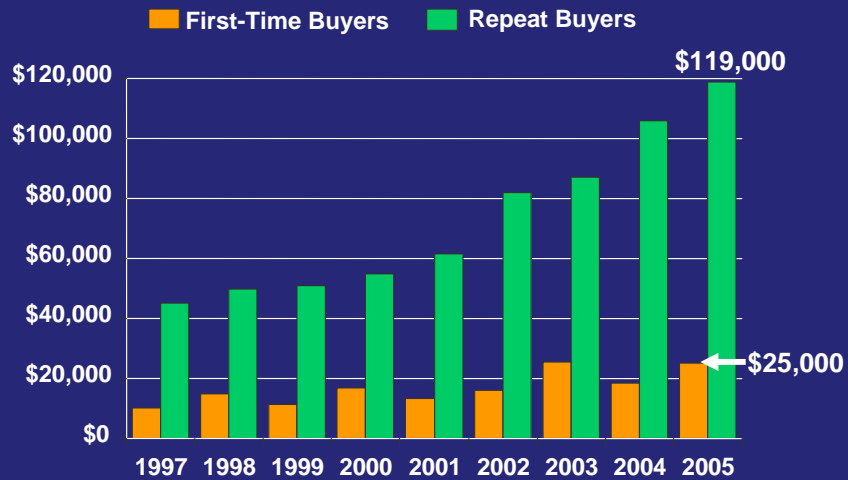
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## Proportion of First-Time Homebuyers

	1998	2002	2005	
Single Family Detached	41%	35%	26%	↓
Condo/ Townhome	54%	42%	50%	

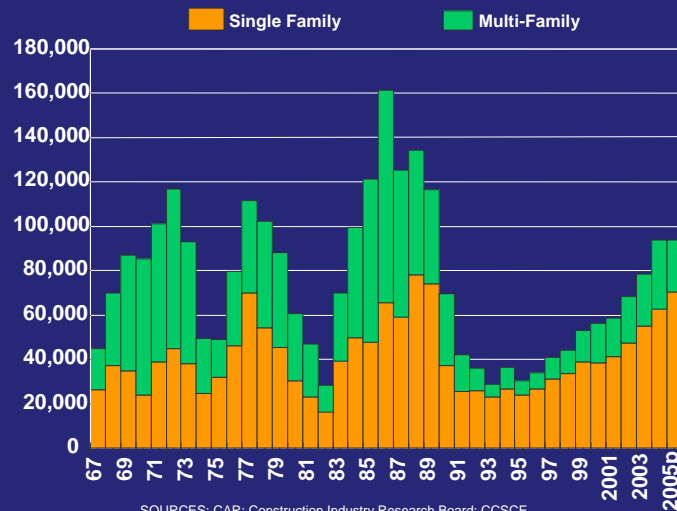
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## Median Downpayment First-Time Homebuyers Vs. Repeat Homebuyer

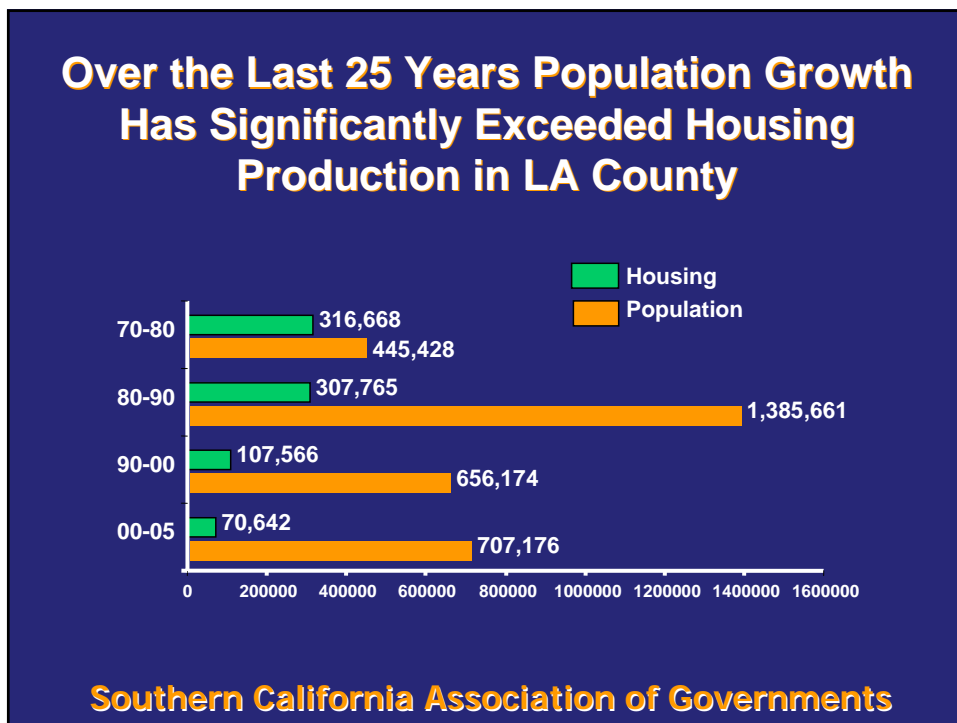
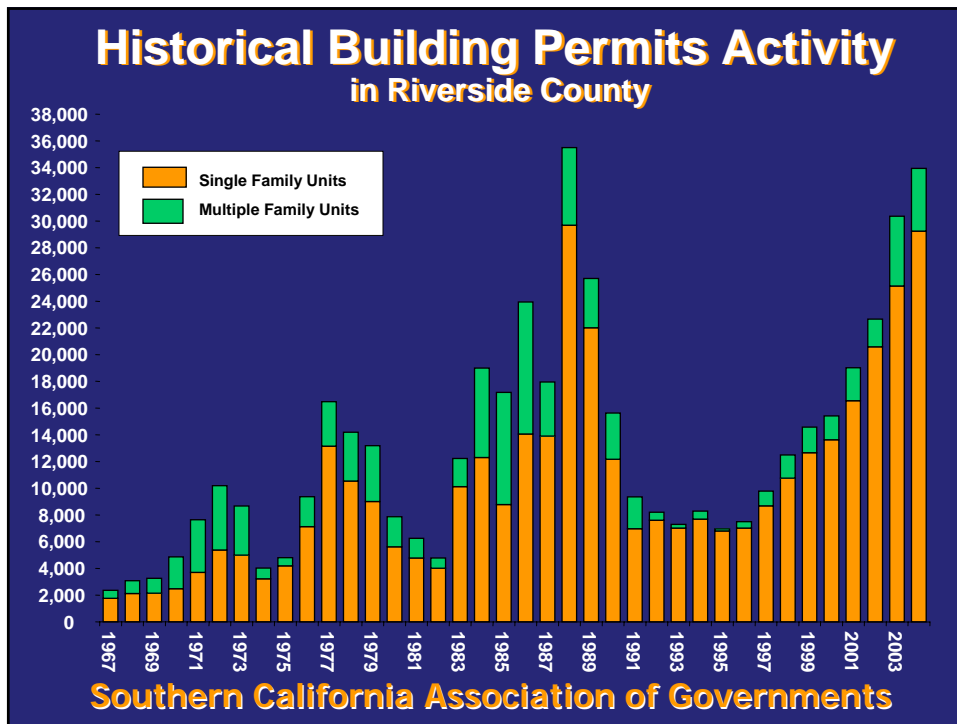


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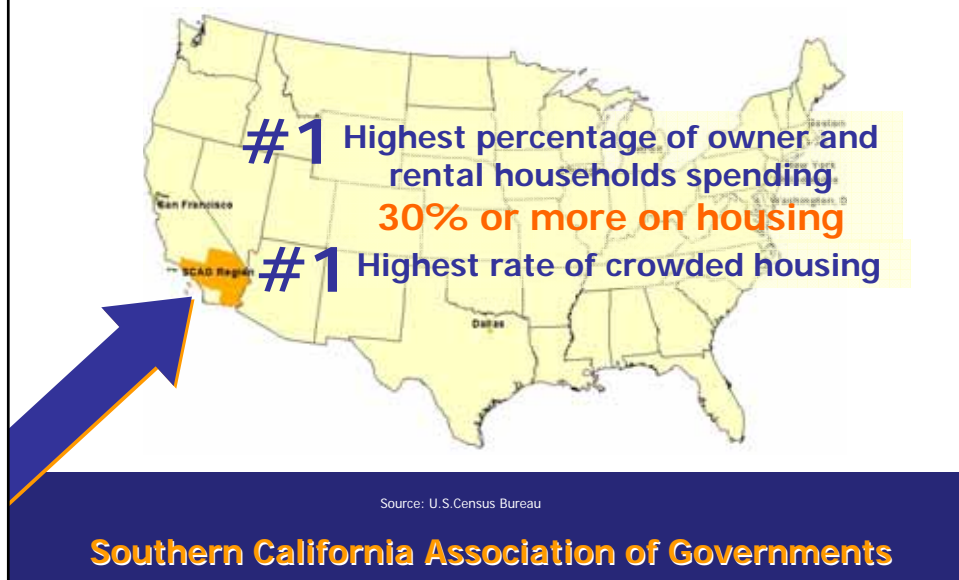
## New Housing Permits: Southern California



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## Of Nine Largest Metros...



## STRATEGIES

- Land Use Policy
- Housing Policy
- Economic Development

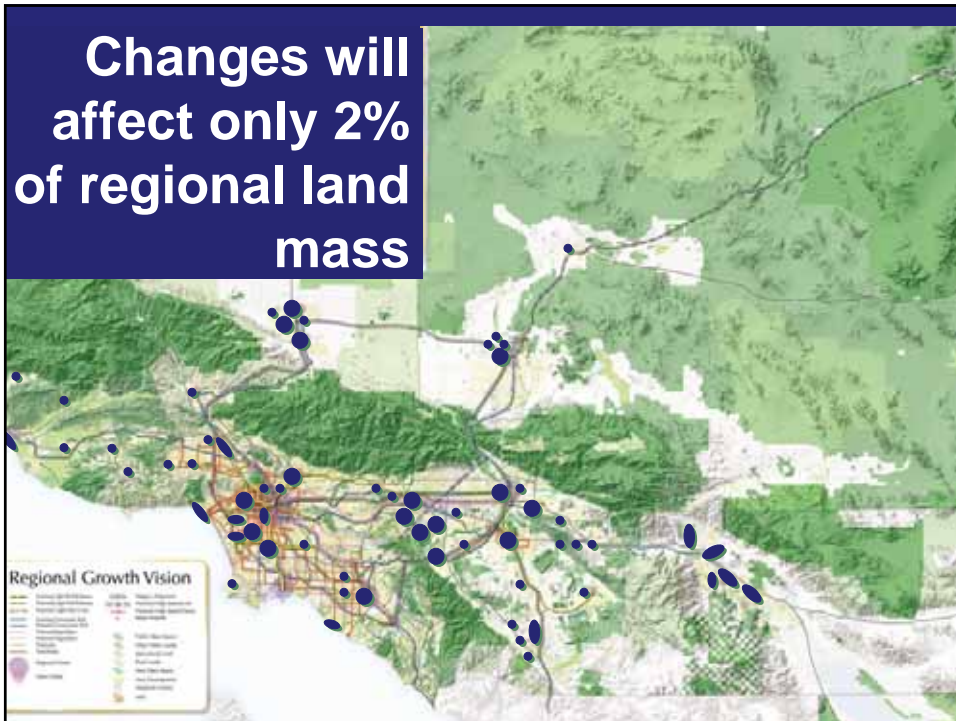
# Growth Visioning



- The most ambitious "Growth Visioning" effort ever undertaken
- A collaborative process to develop a strategy to maintain our quality of life while making room for...

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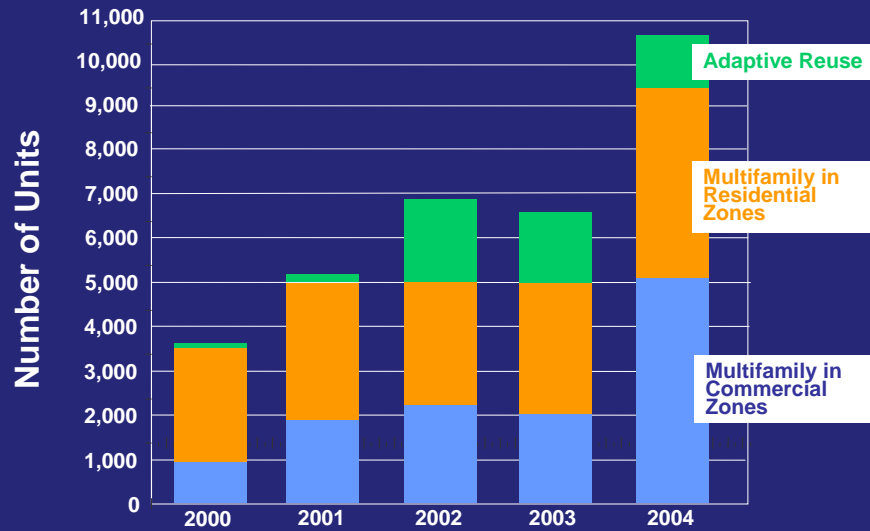






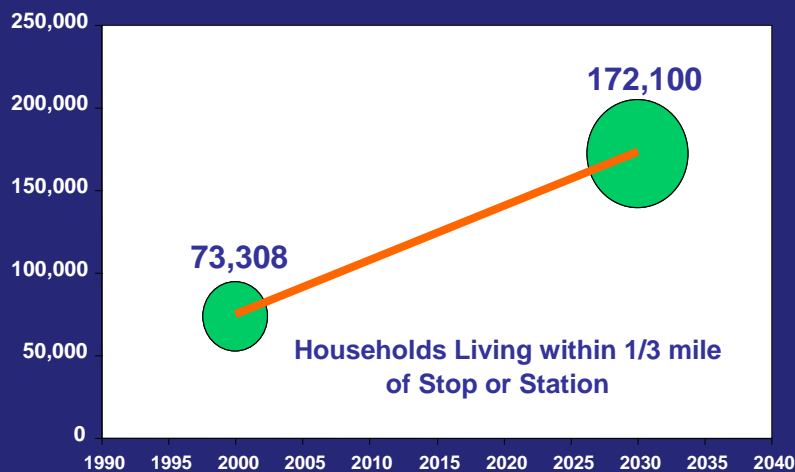
## Infill Ordinances in LA City Make a Difference

2000 - 2004



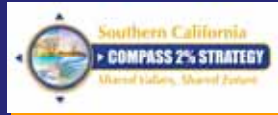
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## Transit Oriented Development Potential in Riverside County



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## Key Features



Targets growth to existing and planned transportation system



Preserves stable neighborhoods



Promotes mixed-use development to reduce number and length of daily trips

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## Key Benefits



Provides better access to jobs and improved jobs/housing balance



Renovates urban cores, creating wealth through increased property values



Offers improved housing availability and affordability

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## Key Benefits



**Allows transit systems to become more productive**

(22% increase in daily boardings)

**Reduces Vehicle Miles Traveled**

(-7 million VMTs/day)

**travel delay**

(-180,000 hours/day)

**& emissions**

(-17 tons VOC/day)

**The region can achieve air quality conformity.**

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## Suite of Services

- Tipping Point Analysis
- Redevelopment strategy
- Small site workshops
- Urban design solutions
- Development of code amendments
- Public involvement
- Photo simulations
- Economic development strategies

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## Collectively Planning for the Homes We Need



- Regional Housing Needs Assessment
- Local Housing Elements
- Linking Housing with Transportation Planning
- Legislative advocacy
- Annual Regional Housing Summit

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## SCAG's 6<sup>th</sup> Annual Regional Housing Summit



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# **Where Will Our Children Live?**

**Thank You**  
please visit us at  
[www.scag.ca.gov](http://www.scag.ca.gov)